

Message Text

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PAGE 01 EC BRU 00311 121927Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07
FRB-01 INR-07 NSAE-00 CIEP-02 SP-02 STR-04 TRSE-00
LAB-04 SIL-01 OMB-01 AGRE-00 PA-02 PRS-01 USIA-15 H-02
L-03 /071 W

-----122214Z 021047 /70

R 121735Z JAN 77
FM USMISSION EC BRUSSELS
TO SECSTATE WASHDC 2753
INFO ALL EC CAPITALS 2971

UNCLAS EC BRUSSELS 0311

PASS AGRICULTURE

E.O. 11652:N/A
TAGS:EAGR-EEC
SUBJECT: EC CIGARETTE TAX HARMONIZATION

REF: (A)76 EC BRUSSELS 7563(B)76 EC BRUSSELS 1533 (C)76 EC
A-64 (D)72 EC A-361

1.A COMMISSION OFFICIAL IN DG XV (FINANCIAL INSTITUTIONS AND
TAXATION),TOLD US THAT SHORTLY BEFORE THE END OF 1976 THE COUNCIL
APPROVED A DIRECTIVE EXTENDING THE EC'S FIRST STAGE IN THE HARMONI-
ZATION OF CIGARETTE EXCISE TAXES FROM JUNE 30 TO DECEMBER 31,
1977.

THIS CHANGE WAS PROPOSED BY THE COMMISSION IN JULY 1976 (REF.A).
THE EXTENSION RESULTS FROM THE COMMUNITY'S INABILITY TO AGREE ON THE
RULES FOR THE SECOND STATE OF HARMONIZATION.IN FEBRUARY 1976
THE COMMISSION SUBMITTED A PROPOSAL FOR THE SECOND STATE OF HARMONI-
ZATION CALLING FOR A MINIMUM SPECIFIC COMPONENT OF 15 PERCENT
IN MEMBER STATE CIGARETTE TAXES AND A MAXIMUM SPECIFIC COMPONENT
OF 50 PERCENT (REFS.B AND C).

2.THE NEW COUNCIL DIRECTIVE ALSO MODIFIED THE BASIC 1972 COUNCIL
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DIRECTIVE ON TOBACCO TAX HARMONIZATION (REF.D)IN ONE OTHER
RESPECT.THE 1972 DIRECTIVE REQUIRED THAT THE RULES FOR THE SECOND
STATE OF HARMONIZATION BE AGREED ON AT LEAST ONE YEAR IN ADVANCE
OF THE IMPLEMENTATION OF THE SECOND STAGE; THIS PERIOD HAS BEEN REDUCED
TO
SIX MONTHS.THUS,IF THE COUNCIL IS TO AVOID A FURTHER EXTENSION OF
THE FIRST STAGE OF HARMONIZATION,IT MUST REACH AGREEMENT ON THE

RULES FOR THE SECOND STATE BY JUNE 30, 1977.

3.THE OFFICIAL SAID THAT THE COUNCIL HAD NOT YET DISCUSSED THE COMMISSION PROPOSAL FOR THE SECOND STATE OF HARMONIZATION.HOWEVER, THE EUROPEAN PARLIAMENT AND THE ECONOMIC AND SOCIAL COMMITTEE HAVE PRONOUNCED IN FAVOR OF IT (WITH CERTAIN RESERVATIONS).HE SAID THAT ONE REASON FOR THE DELAY IN COUNCIL CONSIDERATION OF THIS PROPOSAL WAS THAT EC TAX EXPERTS WERE HEAVILY INVOLVED IN VAT MATTERS THROUGH MUCH OF 1976.HE EXPECTED COUNCIL CONSIDERATION OF THE PROPOSAL TO BEGIN NEAR THE END OF FEBRUARY.

4.THE COUNCIL DIRECTIVE HAS NOT YET BEEN PUBLISHED IN THE OFFICIAL JOURNAL BUT IS EXPECTED TO APPEAR SHORTLY.
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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TOBACCO, REGIONAL ORGANIZATIONS, TAXES, EXCISE TAXES, TAX BURDEN
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Expiration:
Film Number: D770012-0496
Format: TEL
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770160/aaaacagc.tel
Line Count: 76
Litigation Code IDs:
Litigation Codes:
Litigation History: Hold (001 Tobacco) added on 4/16/2009 3:39:03 PM by WASHDCMcGoldRJ, Hold (001 Tobacco) removed on 4/16/2009 3:45:09 PM by WASHDCMcGoldRJ (Litigation Hold Lifted)
Locator: TEXT ON-LINE, ON MICROFILM
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